

CDCI ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Liberty County Teachers Federal Credit Union

Point of Contact:	Michelle Carr	RSSD: (For Bank Holding Companies)	0
UST Sequence Number:	1403	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	450,000	FDIC Certificate Number: (For Depository Institutions)	
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	14052
Date Funded (first funding):	N/A	City:	Liberty
Date Repaid ¹ :	N/A	State:	Texas

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

Increase lending or reduce lending less than otherwise would have occurred.

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☐ To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).

☐ Increase securities purchased (ABS, MBS, etc.).

☒ **Make other investments.**

We have used the money to purchase certificates to provide additional interest income.

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☐ Increase reserves for non-performing assets.

☐ Reduce borrowings.

☐ Increase charge-offs.

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☐ Purchase another financial institution or purchase assets from another financial institution.

☒ Held as non-leveraged increase to total capital.

The money has assisted our capital ratio from 6% to 9.8%.

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What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

We are able to avoid going into PCA by increasing our net worth by 3%.

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What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

It has provided us a little room to we can continue with the process to obtain a rural district community charter so we can include members that otherwise are not able to join. This will assist our loan growth a well. We have started the credit card program with no fee to the credit union, hired a bi-lingual teller to provide assistance to non English speaking members and hopefully to gain more members of the Hispanic community. Also, to provide additional training to our staff that we otherwise would not have been able to obtain because of the cost.

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Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

SEE ABOVE!